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State of Vermont
Public Service Board

July 10, 2009

Mr. Scott Johnstone
Executive Director
Vermont Energy Investment Corporation
255 South Champlain Street
Burlington, VT 05401

Re: 2006-2008 Earned Performance Incentive

Dear Mr. Johnstone:

Congratulations on Vermont Energy Investment Corporation's ("VEIC") accomplishments serving as Efficiency Vermont during the 2006 - 2008 time period.

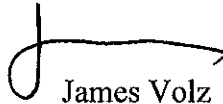
As you know, VEIC's contract with the Public Service Board ("Board") provides VEIC the opportunity to earn a performance incentive if VEIC meets certain specified performance goals. In accordance with the process set forth in the contract, the Vermont Department of Public Service ("DPS") and the Contract Administrator have verified VEIC's performance in those areas. After reviewing information from the DPS and the Contract Administrator, the Board accepts the Contract Administrator's recommendations regarding VEIC's performance, and the resulting earned performance incentive.

Specifically, we conclude that VEIC has met all five minimum performance standards, and five of seven performance indicators.¹ We also determine that VEIC exceeded the goals for those five performance indicators. In addition, because the contract allows VEIC to earn more than the specified amount for an individual indicator if it exceeds the goal for that indicator (subject to a cap on the total performance award that can be earned), we determine that VEIC has earned a performance award of \$2,316,021 and should be paid that

¹VEIC did not meet Performance Indicator 5 (Summer Peak Demand Savings in Geographic Areas), but did reach the threshold for earning a portion of the possible incentive award for this indicator. VEIC did not meet the threshold for earning an incentive award for Performance Indicator 6 (Winter Peak Demand Savings in Geographic Areas).

amount. Please see the attached spreadsheet for the calculation of this payment amount.

Sincerely,


James Volz
Chairman



cc: Michael Wickenden, Contract Administrator
Bonnie Batchelder, Batchelder Associates
Dave Lamont, Vermont Department of Public Service

Calculation of 2006-2008 Performance Incentive Award

#	Name	Target	Units	Achievement	% of Target	100% Award	Award Earned	Notes	Incremental Award	Incremental Achievement
1	Energy	262,031 MWh		287,442	109.7%	\$598,500	\$989,143	\$15.373 per MWh above 100%	\$390,643	25,411
2	TRB	\$225,392,772 Dollars		\$226,072,215	100.3%	\$478,800	\$488,992	\$0.015 per TRBs above 100%	\$10,192	\$679,443
3	Statewide Summer	37,702 KW		41,459	110.0%	\$139,650	\$216,736	\$20.518 per KW above 100%	\$77,086	3,757
4	Statewide Winter	41,492 KW		44,899	108.2%	\$99,750	\$145,121	\$13.317 per KW above 100%	\$45,371	3,407
5	Targeted Summer	7,200 KW		7,100	98.6%	\$199,500	\$196,729	<100% and >50% => % of 100% award		
6	Targeted Winter	7,740 KW		3,093	40.0%	\$199,500	\$0	Failed		
7	CFL Stocking	40 stores		46	115.0%	\$139,650	\$139,650	No Scaling above 100%		
8	Community Awareness	35% % of population		>35%	NM	\$139,650	\$139,650	No Scaling above 100%		
		3% reduction kWh		>3%						
	Total					\$1,995,000	\$2,316,021			
	Maximum Award Amount						\$2,347,000			
	Amount to be Awarded						\$2,316,021			